

Message Text

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FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 5672

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

C O N F I D E N T I A L SECTION 1 OF 3 RIO DE JANEIRO 5887

E.O. 11652: GDS

TAGS: PINT, BR

SUBJECT: SENATOR MAGALHAES PINTO FOR PRESIDENT:

A DILEMMA FOR THE REGIME

REF: BRASILIA 9938

1. SUMMARY. SENATOR MAGALHAES PINTO'S SELF-DECLARED CANDIDACY FOR THE GOVERNMENT PARTY NOMINATION TO SUCCEED GEISEL IN 1979 IS EVIDENTLY CAUSING INCREASING ANXIETY IN GOVERNMENT CIRCLES. RUMORS, DENIED OFFICIALLY, ABOUND THAT THE ROUTE TO THE PARTY CONVENTION IN SEPTEMBER WILL BE SO DEVISED AS TO PREVENT HIS NAME FROM REACHING THE CONVENTION. THE SENATOR HAS MEANWHILE CALLED FOR A RETURN TO FULL DEMOCRACY AND DIRECT ELECTIONS (AFTER 1979) TO THE PRESIDENCY. THE REGIME IS FACED WITH THE DILEMMA OF HOW TO STOP HIS CANDIDACY WITHOUT RESORTING TO BLATANT GIMMICKRY WHICH WILL UNDERMINE THE REGIME'S OWN CREDIBILITY REGARDING POLITICAL LIBERALIZATION PROMISED BY GEISEL.

2. AS REPORTED IN BRASILIA 10225, PRESIDENT GEISEL'S DECEMBER 1 SPEECH TO ARENA PARTY OFFICIALS INDICATING A WILLINGNESS TO END THE "ACTS OF EXCEPTION" HAS TRIGGERED

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A WAVE OF POLITICAL SPECULATION AND AN ENDLESS VARIETY OF FORMULAE FOR POLITICAL REFORM. THE PERIOD HAS ALSO WITNESSED HEIGHTENED INTEREST IN THE POLITICAL FORTUNES OF THE ONLY SELF-DECLARED CANDIDATE TO SUCCEED PRESIDENT GEISEL, MINAS GERAIS FEDERAL SENATOR JOSE DE MAGALHAES PINTO. FOR THE FIRST TIME, THE REGIME AND SYSTEM APPEAR TO BE TAKING HIS CANDIDACY SERIOUSLY BECAUSE OF THE

COMPLICATIONS HIS CANDIDACY COULD POSE TO THE ELECTION
AND LEGITIMACY OF PRESIDENT GEISEL'S DESIGNATED CANDIDATE.

3. SHORTLY AFTER THE PRESIDENT'S SPEECH, MAGALHAES MET ON
DECEMBER 6 WITH SENATOR PETRONIO PORTELLA, THE PRESIDENT'S
APPOINTED REPRESENTATIVE IN THE SEARCH FOR A POLITICAL
CONSENSUS IN 1978. ALTHOUGH BOTH DENIED LATER TO THE PRESS
THAT THE MEETING RELATED TO MAGALHAES' CONTINUED CANDIDACY,
RELIABLE SOURCES INDICATE THAT PORTELLA ASKED MAGALHAES
TO DROP HIS BID WHICH THE LATTER REFUSED. AFTER THIS
ABORTIVE ATTEMPT TO SQUELCH MAGALHAES, VARIOUS REPORTS
CIRCULATED IN THE PRESS OF STUDIES IN PROGRESS BY THE
ARENA HIERARCHY SEEKING TO ENSURE THAT MAGALHAES' NAME
DOES NOT REACH THE ARENA PARTY CONVENTION WHICH WILL MEET
SEPTEMBER 5 TO ENDORSE FORMALLY THE PRESIDENTIAL CANDIDATE
FOR THE GOVERNING PARTY, WHOSE NAME WOULD THEN GO TO THE
ELECTORAL COLLEGE ON OCTOBER 15. UNDER ONE FORMULA MUCH
DISCUSSED IN THE PRESS, THE ARENA PARTY DIRECTORATE (COM-
POSED OF SOME 70 INDIVIDUALS) WOULD VET NAMES TO BE
SUBMITTED TO THE CONVENTION AND ONLY CANDIDATES WHO
RECEIVED MORE THAN 40 PERCENT OF THE DIRECTORATE VOTE WOULD
HAVE THEIR CANDIDACIES PRESENTED TO THE ARENA CONVENTION.
THE ASSUMPTION UNDER THIS SCHEME IS THAT THE GOVERNMENT
CAN CONTROL ENOUGH OF THE 70 VOTES TO ASSURE THAT
MAGALHAES DOES NOT RECEIVE THE REQUIRED NUMBER.

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4. ARENA PRESIDENT FRANCELINO PEREIRA HAS REPEATEDLY
DENIED THAT THE PARTY LEADERSHIP WAS SEEKING TO CIRCUMVENT
ANY CANDIDACIES; HOWEVER, RULES GOVERNING THE CONDUCT OF
THE PARTY CONVENTIONS HAVE YET TO BE ESTABLISHED. PEREIRA
STATED THAT PARTY CONVENTION RULES SIMPLY DO NOT EXIST
BEYOND THOSE ESTABLISHED BY PRESIDENT GEISEL IN HIS APRIL
REFORM PACKAGE. (THESE WERE LIMITED TO SETTING CONVEN-
TION DATES AND STATING THAT THE CONVENTION WOULD SELECT
THE PRESIDENTIAL CANDIDATE.) HE INDICATED THAT LEGISLA-
TION WOULD PROBABLY BE BROUGHT TO THE CONGRESS IN MARCH
OR APRIL CONCERNING THIS MATTER. PEREIRA'S COMMENTS HAVE
NOT SILENCED SPECULATION THAT THE REGIME WILL BRING NEW
PARTY RULES BEFORE THE LEGISLATURE THAT WOULD BE DESIGNED
TO ELIMINATE THE MAGALHAES CANDIDACY PRIOR TO THE
SEPTEMBER CONVENTION. IN THE WAKE OF THIS SPECULATION,
MAGALHAES HAS MAINTAINED HIS PUBLIC SERENITY INDICATING
THAT: (1) HE WOULD DISCUSS HIS CANDIDACY WITH THE PRESIDENT
SOMETIME IN JANUARY, THE TIME INDICATED BY THE PRESIDENT
WHEN THE SUCCESSION CONTEST "COULD" BE DISCUSSED PUBLICLY;
AND THAT (2) HE REMAINED CONFIDENT THE ARENA PARTY
CONVENTION WOULD BE AN OPEN ONE BEFORE WHICH HE COULD
PLACE HIS NAME.

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5. THE SENATOR CONSIDERABLY ESCALATED THE EMERGING INTRA-PARTY CONFLICT BY MAKING PERHAPS HIS SHARPEST ATTACK AGAINST THE PRESENT BRAZILIAN SYSTEM OF GOVERNMENT. SPEAKING BEFORE AN ELITE GROUP OF BUSINESSMEN DECEMBER 12 IN RIO DE JANEIRO AT VISAO MAGAZINE'S PRESENTATION OF ITS AWARD TO THE "MAN OF THE YEAR" (MAGALHAES WAS THE RECIPIENT IN 1976), THE SENATOR MADE A BOLD APPEAL FOR A RETURN TO A DEMOCRATIC ORDER. HE CALLED FOR DIRECT ELECTIONS FOR PRESIDENT, RE-ESTABLISHMENT OF LEGISLATIVE AND JURIDICAL AUTONOMY, RECOGNITION OF PRIVATE ENTERPRISE AS A PREREQUISITE FOR A DEMOCRATIC LIFE, PROTECTION OF BRAZILIAN BUSINESS AND ENHANCEMENT OF THE INTERNAL MARKET, INCOME REDISTRIBUTION AND ELIMINATION OF REGIONAL DISPARITIES. MAGALHAES DENIGRATED THE BRAZILIAN PENCHANT FOR QUICK POLITICAL FIXES WHICH IN HIS VIEW ONLY INSTITUTIONALIZE A NEW ORDER, CITING AS EXAMPLES OF NEW ORDERS THUS IMPOSED THE GERMANY OF HITLER, THE ITALY OF MUSSOLINI AND THE BRAZIL OF THE ESTADO NOVO. HE SAID THAT THE TIMES CALL FOR A NEW DIRECTION FOR THE COUNTRY. MAGALHAES' SPEECH, WHICH CONTAINED MUCH WHICH THE BUSINESS CLASS SUPPORTS OR ASPIRES, WAS WARMLY APPLAUDED. IT WAS ALSO CAMPAIGN ORATORY OF THE FIRST ORDER.

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6. ALTHOUGH THERE WAS NO REACTION TO HIS SPEECH FROM THE FEDERAL GOVERNMENT, SAO PAULO GOVERNOR PAULO EGYDIO MARTINS, WHO IS CONSIDERED CLOSE TO GEISEL, IN COMMENTING ON THE SENATOR'S CALL FOR DIRECT ELECTIONS FOR THE PRESIDENT CALLED THE REMARKS "IRRESPONSIBLE" AND COMMENTED THAT PROPOSALS OF THIS TYPE SHOULD BE COMPLETELY REPUDIATED. OTHER ARENA POLITICIANS WERE MORE CAUTIOUS, MOST ADOPTING THE REACTION OF ALAGOAS GOVERNOR SURUAGAY WHO DEFENDED THE SENATOR'S RIGHT TO SEEK THE OFFICE, BUT WHO STATED THAT HIS OWN PREFERENCE WILL BE THAT PERSON DESIGNATED BY PRESIDENT GEISEL. SEVERAL MDB DEPUTIES AND SENATORS, NOT UNEXPECTEDLY, VOICED THEIR SUPPORT FOR MAGALHAES' THESES AS WELL AS HIS RIGHT TO BE A PRESIDENTIAL CANDIDATE.

7. THE PRINCIPAL BENEFICIARY OF THIS CLAMOR HAS, OF COURSE, BEEN MAGALHAES PINTO WHOSE NAME HAS BEEN KEPT BEFORE THE PUBLIC BY THE NEWS MEDIA. THE LIBERAL PRESS, AND RIO'S JORNAL DO BRASIL AND SAO PAULO'S FOLHA DE SAO PAULO, TO A LESSER DEGREE, HAVE IN PARTICULAR GIVEN CONSIDERABLE ATTENTION TO MAGALHAES' PRONOUNCEMENTS. (A RUMOR LONG CURRENT IN RIO DE JANEIRO IS THAT THE BANCO NACIONAL, CONTROLLED BY MAGALHAES, HAS PROVIDED FINANCIAL ASSISTANCE TO JORNAL DO BRASIL WHICH IN TURN IS REPAYING THE FAVOR BY GIVING EXTENSIVE COVERAGE TO THE CANDIDATE.)

8. COMMENT. THE SENATOR'S CONTINUED CANDIDACY CONSTITUTES A DOUBLE HERESY: (1) AS A CIVILIAN, EVEN ONE WITH IMPECCABLE CREDENTIALS FOR SUPPORTING THE REVOLUTION OF 1964 WHILE GOVERNOR OF MINAS GERAIS, HE IS COMPETING FOR THE PRESIDENCY ALTHOUGH THE CONSENSUS IS THAT GEISEL'S SUCCESSOR SHOULD BE A SENIOR GENERAL, AND (2) HE IS COMPETING ACTIVELY WHEREAS THE NORM SINCE JANIO QUADROS' ELECTION IN 1962 IS FOR PERSONS SELECTED BY THE "SYSTEM" TO ESCHEW THE CONFIDENTIAL

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OFFICE PUBLICLY AND TO ACCEPT THE TASK RELUCTANTLY AS A CIVIC DUTY. THAT HE IS NOT PLAYING BY THE RULES OF THE CLOSED SYSTEM WHICH GOVERNS THE COUNTRY MIGHT MERELY BE IRRITATING TO THE REGIME. HOWEVER, A PERSISTENCE TO THE END IN HIS CAMPAIGN POSES A DIFFICULT PROBLEM TO GEISEL. IF MAGALHAES' NAME GOES TO THE ARENA CONVENTION AND THE TRADITIONAL SECRET VOTE IS RETAINED, MAGALHAES COULD WELL RECEIVE A RESPECTABLE VOTE OR CONCEIVABLY ALTHOUGH UNLIKELY, A MAJORITY VOTE FROM AN ASSORTMENT OF DELEGATES WITH VARIED GRIEVANCES AGAINST THE GEISEL GOVERNMENT OR AGAINST THE SUCCESSOR DESIGNATE. MOREOVER, AS A NATIONALLY KNOWN, RESPECTED AND POPULAR FIGURE, MAGALHAES WOULD ENTER THE CONVENTION WITH SUBSTANTIAL POPULAR SENTIMENT AND, IN ANY EVENT, PROBABLY MORE THAN THE OFFICIAL

DESIGNEE CAN LIKELY GENERATE IN THE PERIOD FROM MARCH TO SEPTEMBER. EITHER CONCLUSION WOULD BE UNACCEPTABLE TO THE REGIME. IF, ON THE OTHER HAND, THE GOVERNMENT RESORTS TO GIMMICKRY TO ELIMINATE HIS OFFICIAL CANDIDACY PRIOR TO THE CONVENTION, ITS OWN INTENTIONS REGARDING POLITICAL REFORMS AS PROMISED BY GEISEL WILL BE SEVERELY PUT INTO QUESTION EARLY IN THE YEAR AND PRIOR TO THE DIRECT ELECTIONS FOR THE LOWER HOUSE. ADDITIONALLY, THE TRAPPINGS OF A "RELATIVE" DEMOCRACY, USEFUL EXTERNALLY AS WELL AS INTERNALLY, WOULD BE SERIOUSLY MUDDIED. CLEARLY, THE PERFECT SOLUTION FOR ARENA IS FOR PRESIDENT GEISEL TO TALK MAGALHAES OUT OF THE CONTEST OR APPEASE HIS POLITICAL INTERESTS IN SOME OTHER FASHION.

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9. IF MAGALHAES PERSISTS IN HIS CAMPAIGN AFTER MEETING WITH GEISEL IN JANUARY, THE NEXT CRITICAL POINT FOR HIS CANDIDACY WILL BE THE PASSAGE OF LEGISLATION IN MARCH OR APRIL DICTATING CONVENTION RULES. WE DO NOT BELIEVE AT THIS JUNCTURE MAGALHAES HAS THE VOTES HE NEEDS TO KEEP THE CONGRESS FROM PROCEDURALLY PREVENTING HIS NOMINATION. IN KILLING THE MAGALHAES CANDIDACY BEFORE THE ELECTION, HOWEVER, ARENA WILL EXPOSE THE PRESIDENT AND HIS SUCCESSOR TO CRITICISM OF HAVING RIGGED THE ELECTION AGAINST THE POPULAR WILL, AN EMBARRASSING CRITICISM EXTERNALLY AND DISILLUSIONING TO THE GROWING NUMBER OF PROPONENTS OF LIBERALIZATION IN BOTH PARTIES. MOREOVER, ARENA CONGRESSMEN IN URBAN AREAS WHO MUST BEAR THE STIGMA OF THE GEISEL APRIL REFORMS MAY FEAR A FURTHER BACKLASH AT THE POLLS FOR THEIR COMPLICITY IN RIGGING THE GAME AGAINST THE POPULAR MAGALHAES.

10. MAGALHAES' ADOPTION OF AN AGGRESSIVE LIBERAL POSITION ON SUCH ISSUES AS DIRECT ELECTIONS ALSO CREATES PROBLEMS FOR ARENA AND GEISEL. WHILE GEISEL HAS MADE A PUBLIC COMMITMENT TO UNSPECIFIED LIBERALIZING REFORMS, AND BY DOING SO, SEIZED THE POLITICAL INITIATIVE FROM THE OPPOSITION POLITICAL PARTY AND FOR THE TIME BEING SATISFIED MOST REFORM-MINDED SEGMENTS OF THE POPULATION, THESE
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REFORMS WILL CERTAINLY NOT INCLUDE DIRECT ELECTIONS AND PARTICULARLY DIRECT ELECTIONS FOR THE PRESIDENT IN 1985 AS MAGALHAES PROPOSED. THUS MAGALHAES' CAMPAIGN FOR FULL DEMOCRACY WILL ACT TO UNDERSCORE HOW MODEST THE REGIME'S REFORMS MAY TURN OUT TO BE UNLESS THE REGIME, AS A RESPONSE TO MAGALHAES, WILL CONSIDER REFORMS BROADER THAN THOSE WHICH ARE COMMONLY BELIVED ACCEPTABLE TO GEISEL AND THE SYSTEM.

11. THE SENATOR INDICATED PRIVATELY TO AMBASSADOR CRIMMINS AS RECENTLY AS NOVEMBER 25 (REFTEL) THAT HE INTENDS TO PURSUE THE PRESIDENCY REGARDLESS OF GOVERNMENTAL PRESSURE. AS PREVIOUSLY REPORTED, MAGALHAES' CAMPAIGN FOR PRESIDENT IS A LAST HURRAH (HE IS 68) FOR THIS VENERABLE PERSONALITY WHO HAS SERVED WITH DISTINCTION AS A DIPLOMAT, POLITICAIAN AND, AS A BUSINESSMAN, HAS AMASSED A PERSONAL FORTUNE AS PRINCIPAL OWNER OF THE FOURTH LARGEST PRIVATE COMMERCIAL BANK IN BRAZIL. WHILE IT IS TOO EARLY TO SPECULATE ON HOW HIS CAMPAIGN FOR THE PRESIDENCY WILL TURN OUT (ALTHOUGH ONE CAN ASSUME THAT HE WILL BE UNSUCCESSFUL), THE LAST HURRAH IS OBVIOUSLY PROVING VERY DISCOMFORTING TO GEISEL AND HIS CLOSE ADVISORS.

12. EMBASSY CONCURS.
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